

New Jersey Department of Environmental Protection

Bureau of Release Prevention

**A Guide to DPCC Annual Audit Inspections**

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## **INTRODUCTION**

Facilities subject to the Discharges of Petroleum and other Hazardous Substances (DPHS) rules, codified at N.J.A.C. 7:1E and implemented by the Discharge Prevention program, which is part of the Bureau of Release Prevention (Bureau) within the Department of Environmental Protection (Department), undergo an annual audit inspection each year in order to ascertain compliance with the DPHS rules.

Discharge Prevention, Containment and Countermeasure (DPCC) and Discharge Cleanup and Removal (DCR) plans describe how an owner or operator is complying with requirements of the DPHS rules applicable to their operations. Owners or operators of facilities regulated by the Discharge Prevention program must therefore comply with all requirements of N.J.A.C. 7:1E as applicable to their operations and as described in their approved DPCC/DCR plans.

This guide has been prepared in order to help owners/operators understand what to expect during an annual audit inspection.

## **INSPECTION - GENERAL**

Inspections will be conducted utilizing a checklist which consists of the requirement sets for all regulated activities undertaken at the facility. For more specific guidance on the inspection checklist please refer to the guidance document “Annual Audit Checklist” which can be found on the Bureau’s website at <http://www.nj.gov/dep/rpp/brp>.

All annual audit inspections are conducted unannounced during normal business hours.

Upon arrival at the facility the inspector will identify himself/herself, show proper credentials, explain the purpose of his/her visit and ask to meet with the appointed Facility Contact or Response Coordinator or other available responsible individual.

If access is denied a Notice of Violation will be issued and enforcement action may be initiated for failure to permit lawful entry and inspection (see N.J.A.C. 7:1E-6.7).

The inspector will instruct the facility representative to afford to facility employees and an employee representative (if applicable) the opportunity to participate in the inspection in accordance with the Department’s Administrative Order No. 2007-03. A copy of the administrative order can be found on the Bureau’s website at <http://www.nj.gov/dep/rpp/brp>.

The inspector will conduct a document review and visual inspection of equipment and portions of the facility that are regulated under the DPHS rules. This review and visual inspection will be performed using the approved DPCC/DCR plans, an inspection checklist and the latest adopted DPHS rules as a reference.

## **DOCUMENT REVIEW**

DPHS inspectors will request a variety of documents in order to determine compliance with the recordkeeping requirements (see N.J.A.C. 7:1E-2.15). Note that, pursuant to 2.15(e), all records shall be available for inspection upon request.

**Facility copy of approved plan** – Inspector will verify that the approved DPCC/DCR plan is available on site.

**Financial Responsibility** – Inspector will review the current facility financial responsibility documentation in order to verify that it is current and worded as specified in Appendix B.

**Integrity Testing Reports** – Inspector will request to see reports to verify that the owner or operator is complying with integrity testing requirements.

Inspector will review reports for tanks which were scheduled to be tested since the last annual audit inspection and will verify that testing performed conforms to the methodology indicated in the approved DPCC/DCR plan. If no tanks came due for inspection the inspector will verify that records of previous testing are being kept.

For guidance on integrity testing of ASTs, please refer to “A Guide to the Inspection and Testing of Aboveground Storage Tanks” which can be found on the Bureau’s website (<http://www.nj.gov/dep/rpp/brp>).

**Visual Inspection and monitoring records** – Inspector will request records of all marine transfer, storage, process, transfer area and security system inspections conducted in the past ten (10) years. The inspector will review inspection forms in order to verify that they document all required inspection information and that the inspections have been conducted.

Inspector will request records of all cleanup/removal equipment inspections conducted in the past three (3) years. The inspector will review inspection forms in order to verify that they document all required inspection information and that the inspections have been conducted.

**Response Drills** – Inspector will request records of all response drills performed in the past three (3) years. The inspector will review the latest drill record to verify that a drill was conducted and a written critique of the drill has been prepared.

**Contract/Agreement with clean up contractor** – Inspector will review documentation and verify currency.

**Training program** - Inspector will verify that a written description of the training program is kept on site.

**Training records** - Inspector will request records of all training performed in the past three (3) years. The inspector will review forms for each type of training (i.e., initial, refresher) in order to verify that they include required information and that training has been conducted.

**SOP(s)** – The Inspector will verify that written standard operating procedures (SOP) for all operations involving hazardous substances in accordance with N.J.A.C. 7:1E-2.14 and a copy of the SOP Index are maintained at the facility and readily available to the employees. Inspector will select one or more SOP(s) from the SOP index and review it to determine inclusion of all applicable information required.

**Discharge Confirmation Reports (DCR's)** – Inspector will request all DCR's for the past 10 years in order to verify that these reports are being retained on file.

**Facility Inventory** - Inspector will verify that inventory reports for the past three (3) years are on file.

**Material Safety Data Sheets** – Inspector will verify that MSDS are available to employees.

### **PHYSICAL INSPECTION**

Visual inspection of all areas where hazardous substances are stored, processed or transferred will be conducted. Return visits on subsequent days may be required to cover all areas of concern.

**Secondary containment/diversion systems** – All storage, process and loading/unloading areas will be visually inspected for signs of deterioration, cracks or holes. Vertical components (walls) are to be free of cracks or holes. Horizontal surfaces are to be free of substrate erosion, uneven settling or growth of vegetation. There is to be no accumulation of debris within any system. Inspector will also be looking to see that there are no leaks within the systems and that they are not being used in a manner that impairs the capacity of the system to contain leaks, i.e. storage of equipment or other items.

**Storage Tanks** – Inspector will verify that valves are in place to prevent discharges outside of secondary containment and that overflow or vent lines are directed to appropriate areas. The inspector will also verify that tanks greater than 2,000 gallons in capacity have level alarms and one (1) of three (3) required backup provisions (see N.J.A.C. 7:1E-2.2(d)).

**Mobile or Portable Storage Tanks** – Inspector will verify that any mobile or portable storage tanks are located in a manner which provides secondary containment protection.

**Marine transfer operations and Illumination** – Inspection of all marine transfer areas will be performed in order to verify compliance with the requirements of N.J.A.C. 7:1E-2.7.

**Tank car/truck loading or unloading areas** – All loading/unloading areas will be visually inspected in order to verify that secondary containment and/or diversionary systems are in place, ongoing transfers are attended to by facility personnel and that a system, i.e. wheel chocks or brake interlock, is in place to prevent departure of the vehicle.

**Housekeeping and maintenance** – Inspector will verify that there are no leaks, discharges or

loose materials persisting in places at the facility and that adequate quantities, as described in the approved DPCC/DCR plan, of cleanup and safety equipment are kept at the site.

**Security** –Fences and gates will be visually inspected in order to verify that they are in good condition and that provisions to illuminate the facility are in place.

**In-facility pipes** – Pipes will be visually examined to verify that they are: marked in a manner which allows identification of the hazardous substance within; blank flanged and marked or physically removed when no longer in service and are protected in order to minimize damage from vehicles.

**Flood Hazard Areas** – Inspector will verify that all measures to protect stored hazardous substances located in flood areas are implemented as described in the approved DPCC/DCR plan to prevent such hazardous substances from being carried off or being discharged into flood waters.

**Facility Upgrades** – Inspector will verify completion of all upgrades listed in the approved DPCC/DCR plan that were scheduled to be completed since the date of the last annual audit inspection.

## **INSPECTION - FINDINGS**

**Exit Conference** – At the conclusion of the inspection a meeting will be held during which the inspector will discuss his/her findings.

**Violations** - For all instances of non-compliance the inspector will issue a notice of violation (NOV). The NOV specifies each regulatory requirement(s) found to be out of compliance and indicates corrective actions to be taken. For violations classified as minor you may be granted a grace period in which corrective actions must be completed in order to avoid penalties. For violations classified as major the NOV will specify the required corrective action(s) however the time period for taking such action will be stipulated in a formal enforcement action. Non-minor violations will result in a penalty assessment. Civil administrative penalty amounts are list in N.J.A.C. 7:1E-6.8.

**Completed Checklist** – In most cases the report of your facility inspection will be reviewed and approved within 21 days of the last date of inspection. Once your inspection report has been reviewed and approved it can be viewed through the Department's Data Miner on its website at <http://www.nj.gov/dep/opra/online.html>.

## RECOMMENDATIONS

### 1. **Read the rules**

While DPCC/DCR plans have been required for a number of years, the rules and list of regulated substances are periodically revised and amended. The latest version of the rules is effective as of March 28, 2007. Refer to the most recent adopted rules to ensure your facility is in compliance. A copy of the current DPHS rules is available on the Bureau's website at <http://www.nj.gov/dep/rpp/brp>.

### 2. **Obtain and read all available guidance documents**

Guidance documents are available on the Bureau's website (<http://www.nj.gov/dep/rpp/brp>). They cover topics such as inspection checklist, environmentally sensitive areas, inspecting and testing aboveground storage tanks, soil permeability testing, and changes made to the list of hazardous substances in Appendix A.

### 3. **Be familiar with how your approved plans describe the manner in which you are to be complying with the rules**

You are required to operate in accordance with the descriptions included in your approved plan.

All facility upgrades must be completed by the date(s) specified in your plan. If delays in completing an upgrade are expected notify the Bureau in writing **before** the due date. Upgrade schedule extensions are not granted if requested after an approved completion date.

Visual inspections are to be conducted at the frequency stated in your plan.

Tank integrity testing must be conducted in accordance with the schedule included in your plan.

Always have current and valid financial responsibility documentation on site.

Changes to your operations or the content of your plan may require an amendment, if in doubt contact your project manager. If you don't agree that what the consultant wrote is accurate, get it revised prior to submission. Field Verification Section staff will be inspecting your facility to ensure that upgrades are completed according to the schedule in your approved plan and that records are kept based on what is described in the plan, among other compliance issues.

4. **Be prepared to provide records for review**

Read the requirements for recordkeeping at N.J.A.C. 7:1E-2.15. Be prepared to produce any records requested by the inspector. Failure to make records available for review will result in the issuance of a Notice of Violation.

5. **Conduct self audits**

In order to avoid possible enforcement actions conduct self audits of your facility. Use the information contained in our guidance documents, your approved plans and the regulations to self audit your operations.

6. **Keep the DPCC/DCR plan current**

The DPCC/DCR plan is intended to be a living document. This requires notifying the bureau in writing sixty (60) days prior to the commencement of proposed new construction **and** submitting **Plan Amendments** within thirty (30) days of any changes having taken place that will materially affect your facility's potential for discharge or the substance of the plan. Failure to do so may result in enforcement actions.

7. **Remember to amend or update approved plans**

Once a plan is approved, it must be kept current by amendment or updating when things change at the facility. The Bureau has separate guidance available on when and how notification and amendment must be done, and when and how changes not requiring a plan amendment must be addressed. This additional guidance is available on the Bureau's website at <http://www.nj.gov/dep/rpp/brp> or by contacting the Bureau at (609) 633-0610.

8. **Remember to renew plans on time**

Once every three years following the approval or conditional approval of the DPCC/DCR plans, they must be renewed. **One copy of the renewal must be submitted 180 days prior to the expiration date of the DPCC/DCR Plans.** The expiration date of the plans is always in three-year increments from the date the plans were first approved, regardless of the date of renewal plan approvals thereafter. If a DPCC and DCR plan is not submitted for renewal within the three-year timeframe, it is considered expired and the owner or operator will be in violation for not having a plan.

For more information about the Discharge Prevention program, please visit our web site at <http://www.nj.gov/dep/rpp/brp> or call the Bureau of Release Prevention at (609) 633-0610.